

M e m o r a n d u m

To: Panel Members Date: 9/25/2003

From: Dolores Kendrick, Manager Analyst: S. Lipkin

Subject: One-Step Agreement for **Santa Clarita Community College District**

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Retraining: companies w/out-of-state competition
- Legislative Priorities: Moving to a High Performance Workplace
Promoting California's Manufacturing Workforce
Displaced/Potentially Displaced Workers

- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union
Representing ETP Trainees: The project may serve both union and non-union employers.

CONTRACT:

- Program Costs: \$685,600
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$47,420
- Total ETP Funding: \$733,020
- Total In-kind Contribution: \$388,000
 - *Trainee Wages Paid During Training:* \$300,000
 - *Other Contributions:* \$88,000
 - *Maximum Contractor Charge to Participating Employers:* \$125 Per Trainee
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide

INTRODUCTION:

This will be the sixth Agreement between Santa Clarita Community College District and the Employment Training Panel. Santa Clarita Community College District, which is also known as College of the Canyons (COC), is a two year, fully accredited community college offering a full range of vocational education programs as well as academic programs necessary for transfer to four year institutions. COC is eligible to provide training under California Unemployment Insurance Code (CUIC) 10205 (c) (2) as a training agency. The participating employers qualify under Title 22 California Code of Regulations, Section 4416, (a)(1)-(4) as manufacturers and other companies facing out-of-state competition. These companies produce a product sold in the state which competes with products produced out-of-state, provide a service out-of-state, and/or provide a service in the state in competition with providers of the same service which are located out-of-state. COC is requesting ETP funds to assist each participating companies to retrain its workforce in the skills necessary for companies to transition to a high performance workplace; to prevent the displacement of workers; and/or to promote California's manufacturing workforce.

MEETING ETP GOALS AND OBJECTIVES:

COC proposes training that will further the following ETP goals and objectives:

Training is targeted to meet the need for a skilled workforce in the biotech, aerospace, and other manufacturing industries where participating employers face strong competition worldwide. These industries are experiencing global competition which is becoming more fierce because of advancements in technology and because of lower wages earned by workers outside California. Therefore, this project meets ETP's legislative mandate to foster job retention in industries threatened by out-of-state competition.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Numbers 1-5 Retainee	Continuous Improvement, Manufacturing Skills, Computer Skills, Business Skills, Literacy Skills, Other Titles: Hazardous Materials & Bio-Medical Manufacturing	780	40-100	0	\$556-\$1,390	*\$10.98-\$35.00
					<u>Prevalent Hourly Wage</u> \$13.00	
					<u>Average Cost Per Trainee</u> \$940	
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health benefits which vary among participating employers may be used to meet the ETP minimum hourly wage.					<u>Turnover Rate</u> Shall not exceed 20% annually	<u>% Of Mgrs & Supervisors To Be Trained:</u> Shall not exceed 40%
<u>Other Employee Benefits:</u> Other employee benefits vary among participating employers.						

COMMENTS / ISSUES:

➤ *Frontline Workers*

COC will continue to primarily serve workers who meet the Panel definition of frontline workers under Title 22, California Code of Regulations (CCR), Section 4400(ee). No more than forty percent of a participating employer's ETP trainees by managers or supervisors. This cap does not apply to companies striving for a high performance workplace.

➤ *Compensatory Nature of Training*

Training may be either mandatory or voluntary for the trainees.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ *Contingencies*

The proposed Contractor will submit a Board Resolution before training begins.

PROPOSED ACTION:

Staff recommends that the Panel:

Approve this Agreement if funding is available and the project meets the Panel priorities. This recommendation is based on COC's stated need to provide employees of participating companies with skills to enhance each company's ability to remain competitive and grow and to ensure a continuing relationship with its customers in the community.

NARRATIVE:

COC serves a 365 square mile area and is located 35 miles north of downtown Los Angeles. Founded in 1969, it currently has an enrollment of over 14,000 students.

The Santa Clarita Community College is submitting this proposal in support of its local business community, as represented by the Valencia Industrial Association (VIA). This Association is the largest business organization within the community college district. The Valencia Industrial Association has over 420 member companies, representing over 30,000 employees in the Santa Clarita Valley.

NARRATIVE: (continued)

The proposed Contractor states that local business and the manufacturing community have requested that COC go forward with a sixth contract with the Employment Training Panel. COC proposes to serve small and medium-sized companies primarily in the biotech and aerospace industries, as well as in other manufacturing companies. Historically, more than half the participating employers in prior ETP contracts are companies with fewer than 100 employees and over eighty percent of companies have fewer than 250 employees. With this high percentage of small companies comes a great need for assistance with training program planning and funding. These funds are needed in order for the local industries to remain competitive in California.

The skills acquired in this training project will help to ensure the long-term viability of local employers in the Santa Clarita Valley region. The training will include modules in continuous improvement, manufacturing skills, computer skills, hazardous materials, business skills, and management skills, and bio-medical manufacturing. Some trainees will also receive literacy skills to better understand the accompanying skills training.

Implementation of new technologies and manufacturing processes are essential to the long-term competitive standing of local companies who must adapt to new manufacturing philosophies if they are to survive in a global economy. According to the proposed Contractor, employers, both in individual meetings and in Advisory Group meetings, have indicated that the changing dynamics of their industries demand a skilled, technological workforce with strong problem-solving, communication, and team skills. Technical skills in manufacturing and computer-aided design, as well as soft skills in team communication and problem-solving, are needed as employers seek to develop new products, meet quality standards, and employ lean manufacturing techniques in their plants. As a result of the skills acquired in this program, many local employers will be able to develop a high performance workplace and be more competitive in the marketplace.

Employer Demand

Panel policy requires multiple employer contractors provide evidence of employer demand for training. COC obtains information on the needs of local employers primarily through its involvement with a variety of local associations and committees. The curriculum proposed in this Agreement is based on four sources of input:

- Valencia Industrial Association "CEO Forum" on education held in March 2002.
- Valencia Industrial Association Education Committee (monthly meetings held by local industrial group).
- Center for Applied Competitive Technologies Industry Advisory Committee.
- One-on-one meetings with employers in the Santa Clarita Community College District.

NARRATIVE: (continued)

Employer Demand (continued)

Using this input as the basis for curriculum development, COC staff has developed the core curriculum for the training included in this project. However, during the contract implementation, COC staff will be working with individual employers to customize the content of the curriculum to fit the needs of each employer. This will be handled through one-on-one planning meetings with each employer, discussions with trainees' supervisors and the assessment of trainees' skills at the start of training.

COC staff will work with each employer to understand the specific outcomes expected from the training programs offered in this contract. One-on-one meetings with participating employers following training will provide evaluation data to determine the success of the training in developing employee skills.

Training will be marketed throughout the Santa Clarita Community College District and in surrounding communities by using direct mail, personal contacts, telephone calls, and e-mail announcements to companies, not individual trainees. The training project will be discussed at employer meetings including the Santa Clarita Valley Chamber of Commerce as well as the Valencia Industrial Association. The college is a member of the Board of Directors of the Chamber and an active participant in the VIA Educational Committee.

An informational brochure will be developed and submitted to ETP for approval. The brochure will describe the eligibility criteria for employer participation. The brochure will also describe the training programs available through the project, the course length, scheduling considerations, target trainees, and other information. The brochure will be mailed to approximately 400 businesses in the Santa Clarita Valley and will be handed out when calling on businesses, at trade shows and other employer meetings. The brochure will target company presidents, human resource managers, engineering directors, plant managers, and other senior executives in manufacturing companies throughout the Santa Clarita Valley.

Center-Based Training

Center-based training will be conducted for those smaller companies with less than 100 employees who do not have the appropriate facilities to conduct classroom training. All center-based training will be customized to the specific needs of the participating company. Before training begins, meetings will be conducted on an individual basis and the curriculum will be planned based on input from representatives of the participating employers. Trainees will complete a pre-training assessment before class begins to ensure that the training addresses their specific learning objectives. Both trainees and supervisors are interviewed to determine what skills are used in the trainee's specific job. Classes will then be comprised of workers from those companies in a specific industry. Furthermore, at least 30 percent of training hours will be laboratory exercises based on the individual needs of the participating companies.

NARRATIVE: (continued)

Supplemental Nature of Training

Panel Legislation requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs. In most cases, the ETP-funded training is the first structured, comprehensive training program offered by participating companies to their workers. Smaller employers lack the resources in-house to conduct assessments and develop comprehensive training plans and then execute structured training programs. Existing training is primarily limited to on-the-job training and off-site seminars. Some companies utilize vendors to orient staff to new machinery, but the training is limited in scope. Without instruction on how to fully participate in the manufacturing process, companies are unable to meet the competitive challenges in their industries. ETP funds will supplement the narrow scope of task-specific training provided by employers by building workers' skills and knowledge in a more comprehensive fashion.

THIRD PARTY SERVICES:

Consultants have not and will not be used.

SUBCONTRACTORS:

Monica Ganz, Woodland Hills, California

\$80,632 for administration

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS				
Agreement Number	Location (City)	% Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET01-0220	Santa Clarita	80%	\$232,315	\$235,001
ET 00-0122	Santa Clarita	91%	N/A	N/A
ET8-0622	Santa Clarita	87%	N/A	N/A

ACTIVE PROJECTS:

ACTIVE PROJECTS					
Agreement Number	Agreement Amount	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET 03-0169	\$436,111	493	363	219	60*

***Contractor expects to retain 493 (100%).**

Santa Clarita Community College District
MENU CURRICULUM

Class/Lab Hours
40 - 100

Trainees to receive one or more of the following:

Continuous Improvement

Lean Manufacturing
Kaizen Methodology
ISO (maximum of 8 hours)
Six Sigma
Supply Chain Management
Benchmarking
Statistical Process Control
Visual Factory
Problem Solving
Team Building
Quality Concepts
Quality Management
Pull Systems
Drum Buffer Rope
Just-in-Time Processes (JIT)
Production Scheduling
Production Operations/Workflow
Process Improvement
Value Stream Mapping
Value Added and Non Value Added Activities
Decision Making
Leadership Skills for frontline workers

Manufacturing Skills (Industrial)

Production Operations
Parts and Products Manufacture
Equipment Operation
Assembly Procedures
Inventory Control
Warehousing
Manufacturing Practices
Cross-training in production equipment/skills
Production Skills
Electricity and Maintenance
Best Laboratory Practices
Blueprint Reading
Shop Math
Inventory Control
Warehousing
Manufacturing Practices
Cross-training Production Equipment/Skills
Geometric Dimensioning and Tolerancing
GD&T with Shop Trig

Computer Skills

Microsoft Office

Windows

Word

Powerpoint

Excel

Access

Outlook

Microsoft Project

Manufacturing Resource Planning (MRP) Digital Entertainment and Multimedia

Computer Aided Design and Mfg CAD/CAM

CAD/CAM Programming with Mastercam

Computer Networking

Website Development

Internet Applications

Hazardous Materials (HazMat)

Hazardous Materials Handling

Hazardous Chemical Cleaning/Handling

Haz Mat Management (air, water, land)

Hazardous Waste Cleaning

Control of Air Toxics

Introduction to Environmental Management/ Chemistry/Toxicology

Environ. Monitoring & Personal Protection Equipment

Haz Waste Management and Transportation

Field and Lab Training

Environmental Liability and Risk Management and Site Assessment

Under and Aboveground Storage Tanks

Solid Waste Recycling

Business Skills

Business Performance, Plans, Administration

Strategic Planning, Evaluations, Monitoring

Accounting, Payroll Systems

Marketing, Product Knowledge, Customer Service, Customer Relations, Telephone Skill

Resolving Customer Complaints/Requests

Inventory Control

Project Management

Communication Skills, Listening

Business and Report Writing and Editing

Management Skills

Leadership and Decision Making

Setting Goals and Evaluating Performance

Communication Skills

Selection, Managing Performance

Motivation and Coaching Strategies

Administration and Finances of Management

Launching and Refueling Teams

Literacy Skills (not to exceed 45% of total skills training)

Vocational English as a Second Language
Reading/Writing Work Orders/Reports
Comprehension of verbal & written direction
Basic Math

BioMedical Manufacturing

Engineering
BioMed industry data
Clean Room Procedures
Develop & maintain R&D documentation
Lab management techniques & equipment calibration
Anatomy, physiology, electricity, electronics, digital logic
Mathematical analysis for production to design
Chemistry composition and impact
Patent process requirements
Electronic analysis and software review
Assembly of technical parts
Microscope use for production

**Participating Employers in Retrainee
Multiple Employer (MEC) Agreements(ETP 100B)**

Contractor's Name: Santa Clarita Community College District

CCG No.: ET04-0471

Reference No: 04-0123

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PRINT OR TYPE

Company: Aquafine Corporation

Address: 29010 Avenue Paine

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Julie L. Weith, Director HR

Telephone No.: 661-257-4770

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 79

Total # of full-time company employees in California: 79

Estimated # of employees to be retrained or hired under this Agreement: 35

Company: Advanced Bionics

Address: 25129 Rye Canyon Road

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Cliff Brainard, Director HR

Telephone No.: 661-251-0262

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 480

Total # of full-time company employees in California: 400

Estimated # of employees to be retrained or hired under this Agreement: 45

Company: Arvato Services Inc.

Address: 28210 North Avenue Stanford

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Joe Clark, Director Organizational Development

Telephone No.: 661-775-4519

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 80,000

Total # of full-time company employees in California: 2,000

Estimated # of employees to be retrained or hired under this Agreement: 20

**Participating Employers in Retrainee
Multiple Employer (MEC) Agreements(ETP 100B)**

Contractor's Name: Santa Clarita Community College District

CCG No.: ET04-0471

Reference No: 04-0123

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PRINT OR TYPE

Company: AVIBank Manufacturing/AVK

Address: 11500 Sherman Way

City, State, Zip: North Hollywood, CA 91605

Contact Person/Title: Roger Zuch, Manager, Compensation, Benefits, and Training

Telephone No.: 818-392-2100

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 658

Total # of full-time company employees in California: 658

Estimated # of employees to be retrained or hired under this Agreement: 80

Company: Bayless Engineering

Address: 26100 Avenue Hall

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Rod Smith, Vice President

Telephone No.: 661-257-3373

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 86

Total # of full-time company employees in California: 86

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: Classic Wire

Address: 25014 Anza Drive

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Mike Bannerman, VP, Operations

Telephone No.: 661-257-0558

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 80

Total # of full-time company employees in California: 80

Estimated # of employees to be retrained or hired under this Agreement: 45

**Participating Employers in Retrainee
Multiple Employer (MEC) Agreements(ETP 100B)**

Contractor's Name: Santa Clarita Community College District

CCG No.: ET04-0471

Reference No: 04-0123

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PRINT OR TYPE

Company: Del West Engineering

Address: 28128 Livingston Avenue

City, State, Zip: Valencia, Ca 91355

Contact Person/Title: Rosemarie Chegwin, HR Manager

Telephone No.: 661-295-5700

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 158

Total # of full-time company employees in California: 158

Estimated # of employees to be retrained or hired under this Agreement: 30

Company: ITT Aerospace Controls

Address: 28150 Industry Drive

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Greg Cannoy, HR Director

Telephone No.: 661-295-4004

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 385

Total # of full-time company employees in California: 385

Estimated # of employees to be retrained or hired under this Agreement: 30

Company: SGL Technic Inc.

Address: 28176 North Avenue Stanford

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Sandra Chase, HR Administrator

Telephone No.: 661-294-7281

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 175

Total # of full-time company employees in California: 153

Estimated # of employees to be retrained or hired under this Agreement: 20

**Participating Employers in Retrainee
Multiple Employer (MEC) Agreements(ETP 100B)**

Contractor's Name: Santa Clarita Community College District

CCG No.: ET04-0471

Reference No: 04-0123

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PRINT OR TYPE

Company: St. Jude Medical (Pacesetter, Inc)

Address: 15900 Valley View Court

City, State, Zip: Sylmar, CA 91342

Contact Person/Title: Suzanne Moore, Manager, Training & Organizational Development

Telephone No.: 818-493-3427

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 2,875

Total # of full-time company employees in California: 1,687

Estimated # of employees to be retrained or hired under this Agreement: 40

Company: TA Manufacturing (Kirkhill)

Address: 28065 West Franklin Parkway

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Cynthia Rogers, Director of HR

Telephone No.: 661-775-1170

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 1,200

Total # of full-time company employees in California: 600

Estimated # of employees to be retrained or hired under this Agreement: 40

Company: Ultraviolet Devices, Inc.

Address: 28220 Industry Drive

City, State, Zip: Valencia, CA 91355

Contact Person/Title: Ernesto Herrera, HR Manager

Telephone No.: 661-257-4622

Collective Bargaining Agreement(s): NA

Total # of full-time company employees worldwide: 83

Total # of full-time company employees in California: 83

Estimated # of employees to be retrained or hired under this Agreement: 20